Country article: *Uganda*

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Uganda

Looking to increase tax revenues without adding to the administrative burden

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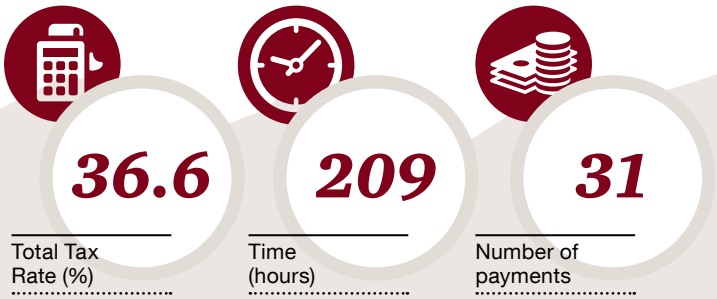
Uganda's ranking now at 98 out of the 189 economies covered by the study on *Paying Taxes*, remains ahead of the rest of the East Africa region except for Rwanda.

The time taken to comply with taxes in Uganda has improved a little in the most recent period, and is better than the average for Sub Saharan Africa which is now at 314 hours. This position can partly be explained by the efforts of the Government of Uganda to make paying taxes much easier through both legislative and administrative reforms.

On the administrative side, the Uganda Revenue Authority (URA) has implemented measures to reduce the time it takes a taxpayer to comply with the law. These include; improved access to the URA customer service channels like email and SMS alerts; a dedicated help desk for handling taxpayer queries; introduction of flexible working hours during deadline filing days through the extension of working hours to assist taxpayers who encounter any difficulties. Even when filing days fall on weekends, URA teams are available to help. The tax administration has also introduced practical learning sessions for newly registered tax payers to equip them with hands-on knowledge around navigating the online filing system. This is truly commendable and we expect to see even more initiatives introduced in future, as tax administration becomes even more complex.



However, in a bid to increase domestic tax revenues, it should be noted that the URA has now introduced additional requirements for transfer pricing information which will place an additional burden on business (although in view of the *Paying Taxes* case study company fact pattern this will not be reflected in the *Paying Taxes* sub-indicators). Coupled with this, is the ability of the online filing system to cope with heavy user traffic during peak times especially towards filing deadlines. The URA will therefore need to find more innovative ways of increasing domestic revenue without hampering the gains made so far in improving compliance time.

On the legislative side, during the 2013/14 annual budget speech, the Government proposed increased collaboration between government departments and the tax authority by improving the sharing of information aimed at improving compliance with the tax system. Furthermore, the mandate to collect all dues and charges was passed to the URA from the Uganda Registration Bureau. This is expected to improve how easy it is to pay tax as the URA has better tax collection systems compared to any other Government department.

Over the years, the Government has continued to put in place measures aimed at improving the tax regime including the restructuring of the Kampala City Council Authority and the Uganda Registrations Services Bureau. It is expected that all these efforts, coupled with better collaboration between different departments, will continue to make taxes easier to pay in Uganda

Overall, while there is still more room for improvement, it is important to recognise the positive steps taken by the URA to become more taxpayer centric. It is hoped that such measures will have a positive impact on the ease of paying taxes in Uganda and most importantly to help sustain the increase in revenue collection which has been seen over the years. The Government's target to raise 80% of its 2013/14 budget financing from domestic revenue is an ambitious target and its realisation will partly be supported by continuous efforts in easing the process of compliance.

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